

HOUSE BILL REPORT

SB 5941

As Reported by House Committee On: Ways & Means

Title: An act relating to judicial branch funding.

Brief Description: Concerning judicial branch funding.

Sponsors: Senators Eide, Regala, Rockefeller and Kline.

Brief History:

Committee Activity:

Ways & Means: 5/5/11 [DPA].

**Brief Summary of Bill
(As Amended by House)**

- Extends the expiration date for surcharges on court filing fees that are deposited into the Judicial Stabilization Trust Account until July 1, 2013.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended. Signed by 20 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Carlyle, Cody, Dickerson, Haigh, Haler, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Ross, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 7 members: Representatives Bailey, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Hinkle, Parker, Schmick and Wilcox.

Staff: Alex MacBain (786-7288).

Background:

Superior and district courts are authorized by statute to collect filing fees and other fees for court services. Revenue from superior court filing fees is split with 46 percent going to the state and the remainder going to the county and the county or regional law library. Revenue

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from district court filing fees is split with 32 percent going to the state and the remainder going to the county and the county or regional law library.

Legislation enacted in 2009 authorized temporary surcharges on filing fees in superior and district courts. Superior court filings are subject to a \$30 surcharge, except filings of an appeal from a court of limited jurisdiction, where the surcharge is \$20. District court filings are subject to a \$20 surcharge, except small claims filings, which are subject to a \$10 surcharge. The surcharges are set to expire on July 1, 2011.

All of the revenue from surcharges must be remitted to the State Treasurer for deposit into the Judicial Stabilization Trust Account (Account). Expenditures from the Account may only be used for the support of judicial branch agencies.

During the 2009-11 biennium, an estimated \$11.4 million will be deposited into the Account. Funds from the Account are appropriated for expenditures in the Administrative Office of the Courts, the Office of Public Defense, and the Office of Civil Legal Aid.

Summary of Amended Bill:

The expiration date for surcharges on superior court and district court filings is extended until July 1, 2013.

Amended Bill Compared to Original Bill:

The Ways and Means Committee recommended that the surcharges on superior and district court filing fees expire on July 1, 2013, rather than being permanent. The revenues collected from the surcharges are to be deposited into the Account, rather than divided equally between the Account and the county collecting the fee.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect on July 1, 2011.

Staff Summary of Public Testimony:

(In support) The Board for Judicial Administration, the Superior Court Judges Association, and the Chief Justice of the Supreme Court support this bill. Justice is a core government service and, while it should generally not be funded primarily through user fees, there are not a lot of funding options currently available. Even with the surcharge in place over the last two years, the cuts to the judicial branch have been dramatic. Reductions in the state budget for judicial branch agencies are starting to encroach on the ability of those agencies to

perform their constitutional duties. This surcharge is necessary to avoid further cuts to public defense and other constitutionally mandated duties.

Dramatic cuts have also occurred in local courts as local counties are struggling. The split with the locals is very important. Superior court judges support the continuation of the surcharges and the splitting of revenue with the local courts. The superior courts find the 50/50 split of the surcharge acceptable. Stakeholders met this year and decided that the surcharges should continue, with the funds split between the local governments and the state. The responsibility for the court system is local, and these fees will help counties run the court system. Counties fund about 95 percent of the cost of trial courts in Washington. The state only pays about 5 percent of the trial court costs.

(With concerns) This was originally intended to be a temporary surcharge. Landlords are concerned that promises were made two years ago to make this surcharge temporary and now they are being made permanent. The surcharge is a tax on adversity. The unlawful detainer process is costly and the majority of landlords only own one to three rental units. Two years ago, landlords agreed to a surcharge in place for two years while we looked for a more equitable way to provide for the costs to the courts. Landlords support the version of the bill introduced in the House that makes the surcharge temporary for another two years until the economic conditions facing the state change.

(Opposed) The surcharge is a burden to landlords and tenants who often end up having to pay the fee. Two years ago landlords agreed to two-year temporary surcharges. The Washington Apartment Association opposes making the surcharges permanent and would support the House bill that would sunset the surcharges in another two years.

Persons Testifying: (In support) Richard McDermott, King County Superior Court; Rashi Gupta, Washington State Association of Counties; Bob Cooper, Washington Association of Criminal Defense Lawyers and Washington Defenders Association; and Mellani McAleenan, Board for Judicial Administration.

(With concerns) Julie Johnson, Rental Housing Association; Ron Newbry, Yakima Valley Landlords Association; and Joe Puckett, Washington Multi-Family Housing Association.

(Opposed) Darlene Pennock, Washington Apartment Association.

Persons Signed In To Testify But Not Testifying: None.